Associated Press -- Nicaragua-Drugs -- December 1985

By Brian Barger and Robert Parry

Masuciated Press Writers
Washington (AP) — Nicarasuan rebels operating in northern Costa
Rica have ensaged in cocaine trafficking, in part to help finance
their war against Nicarasua's leftist government, according to U.S.
investigators and American volunteers who work with the rebels.

The smussling operations included refueling planes at clandestine airstrips and helping transport cocaine to other Costa Rican points for shipment to the United States, said U.S. law enforcement officials and the volunteers.

These sources, who refused to be identified by name, said the smussling involves individuals from the largest of the U.S.-backed Contra groups — the Nicarasuan Democratic Force (FDN) and the Revolutionary Democratic Alliance (ARDE) — as well as a splinter group known as M-3.

A leader of M-3, Sebastian Gonzalez Mendiola, was indicted in Costa Rica for cocaine trafficking a year ago. No other Contra leaders have been charged.

A new National Intelligence Estimate, a secret CIA-prepared analysis on narcotics trafficking, alleges that one of ARDE's top commanders loyal to ARDE leader Eden Pastora used cocaine profits this year to buy a \$250,000 arms shipment and a helicopter, according to a U.S. government official in Washington.

FDN spokesman Bosco Matamoros and Levy Sanchez, a Miami-based spokesman for Pastora, denied that their groups participated in drug smuggling.

Cornelius J. Bousherty, spokesman for the Drus Enforcement Administration, said DEA headquarters in Washinston is aware that drus traffickers use airstrips in northern Costa Rica to transship cocaine, but has not examined the political affiliations of those involved.

Dougherty said the DEA focuses its Latin American enforcement efforts on the cocaine-producing nations of South America, rather than on countries, such as Costa Rica, that are used in shipping the drugs to the United States.

Earlier this year, President Reagan accused the leftist sovernment of Nicarasua of "exporting drugs to poison our youth" after a Nicarasuan sovernment employee, Federico Vaughan, was indicted by a federal grand Jury in Miami. But Dougherty said DEA investigators are still not sure if Sandinista leaders were involved.

Rep. Sam Geldenson, D-Conn., a House Foreign Affairs Committee member, called on the administration Friday to investigate the Contra allegations "with the same vigor that they would devote to charges of left-wing drug trafficking.

"After all, the victims of narcotics smusslins are not able to differentiate between left-wins and risht-wins cocaine." the consressman said.

Responding to the AP report, State Department deputy spokesman Charles Redman said the United States "actively opposes drug trafficking" and that the DEA is not conducting any investigation of the charges.

"We are not aware of any evidence to support those charges."
Redman added.

The U.S.-backed rebels, fighting to overthrow the Nicaraguan government, operate from basecamps in Honduras to Nicaragua's north and from Costa Rica, to its south. Contra leaders claim a combined force of 20,000 men, although some U.S. officials say the real number is much lower. The Costa Rica-based rebel groups are smaller and more poorly financed than those in Honduras.

Associated Press reporters interviewed officials from the DEA. Customs Service. FBI and Costa Rica's Public Security Ministry. as well as rebels and Americans who work with them. The sources, both inside sovernment and out, spoke only on condition that they not be identified by name.

Five American rebel supporters said they were willing to talk about the drug smuggling because the. feared the trafficking would ultimately discredit the war effort.

The five — including four who trained rebels in Costa Rican base camps — said they discovered the Contra smuggling involvement early this year, after Cuban-Americans were recruited to help the Honduran-based FDN open a Costa Rica. front.

These American rebel backers said wo Cuban-Americans used armed rebel troops to suard cocaine at clandestine airfields in northern Costa Rica. They identified the Cuban-Americans as members of the 2506 Brisade, an anti-Castro sroup that participated in the 1961 Bay of Piss attack on Cuba. Several also said they supplied information about the smusslins to U.S. investisators.

One American rebel backer with clc_e ties to the Cuban-American smusslers said that in one onsoins operation, the cocaine is unloaded from planes at rebel airstrips and taken to an Atlantic coast port where it is concealed on shrimp boats that are later unloaded in the Miami area.

..

Three U.S. officials who monitor drug traffic from Colombia through Central America to the United States said they began receiving reports about Contra involvement in cocaine shipments in 1984, about the time Congress cut off CIA funding to the rebels. Each official said he considered the reports `reliable.'

Earlier this year; a Nicarasuan rebel leader in Costa Rica told U.S. authorities that his group was being paid \$50,000 by Colombian traffickers-for help with a 100-kilo cocaine shipment and that the money would so ''for the cause'' of fighting the Nicarasuan government, one U.S. law enforcement official said.

The plan called for the rebels to muard a clandestine airstrip where a cocaine-lader plane from Colombia would land. The rebels would then take the drums 'to a stash house in San Jose.' where they were to muard it for three days until it was picked up. said the investigator.

The rebel leader asked for \$50,000 from the U.S. Embassy in exchange for turning in the Colombian smugglers. The deal was rejected, said the investigator, who added that the smuggling arrangement was later completed without any arrests.

M-3 leader Gonzalez, known as Guachan, was charged with cocaine trafficking on Nov. 26, 1984, by Costa Rican authorities in the northern town of Liberia. The indictment describes Gonzalez as "el maximo dirigente" --- or top leader --- of M-3, part of the ARDE political coalition. Instead of facing the charge, Gonzalez fled to Panama.

A U.S. investigator said Dr. Huso Spadafora, a former Panamanian deputy health minister who fought with the Nicaraguan rebels, met secretly with a senior American law enforcement official in early September and outlined allegations linking Contra drug trafficking and Gonzalez to a prominent Panamanian official.

After announcing plans to publicize those charges, Spadafora was seized on Sept. 13 by Panamanian soldiers as he crossed the border by bus from Costa Rica, according to eyewitnesses. Spadafora's headless body was found a day later, dumped inside Costa Rica in a mail bay.

EDITOR'S NOTE --- Robert Parry won the Polk Award and two other awards last year for his coverage of U.S. activities in Central America. Brian Barger covered Latin America as a free-lance reporter for nine years before Joining The Associated Press in 1985.